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MCDERMOTT, WILL & EMERY

October 8, 2003

Marlene H. Dortch, Esq.
Secretary
Federal Communications Commission
445 Twelfth Street, S.W.
Washington, DC 20554

**Re: Notice of *Ex Parte* Presentation: Service Rules for Advanced Wireless
Services in the 1.7 and 2.1 GHz Bands, WT Docket No. 02-353**

Dear Ms. Dortch:

This is to notify you that undersigned counsel to Southern Communications Services, Inc., spoke by telephone today with Jennifer Manner, of Commissioner Abernathy's office, to discuss Southern's position on the issues in the above-referenced proceeding. Southern addressed issues related to the size of geographic area licenses and auction design (specifically, sequencing of auctions). Comment on these issues was requested in paragraphs 19-24 in the Notice of Proposed Rulemaking in this proceeding, FCC 02-305, released November 22, 2002.

Specifically, Southern recommended that licensing areas and auctioning rules be designed such that there are two separate auctions, with the first auction consisting of large geographic area licenses suitable for nationwide or large regional coverage, and the second consisting of licenses for smaller geographic areas such as Metropolitan Statistical Areas (MSAs) and Rural Service Areas (RSAs). Southern explained that because larger carriers tend to drive the equipment market in auctioned spectrum bands, having sufficient time between auctions of larger and smaller license areas would greatly benefit smaller carriers by allowing them to take into account the potential for economies of scale in equipment availability. Sequencing of auctions in this manner would give regional and smaller carriers an opportunity to better formulate their business plans and bidding strategies, thereby encouraging greater participation in the auction for the smaller geographic area licenses.

It was pointed out that in prior auctions the FCC has auctioned both large geographic licenses and smaller geographic licenses, and in some services it has sequenced these auctions such that the larger geographic licenses were auctioned first. For example, auctions for 2 GHz Broadband PCS licenses were sequenced such that the initial auction consisted of large "Major Trading Area" licenses (Auction No. 4), with subsequent auctions of smaller "Basic Trading Area" licenses (Auction Nos. 5 and 11). Similarly, auctions for 900 MHz Narrowband PCS

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Licenses were auctioned sequentially with nationwide licenses auctioned first (Auction No. 1) and regional licenses auctioned later (Auction No. 3).

In accordance with the Commission's rules, a copy of this *ex parte* notice is being filed electronically for inclusion in the record of this proceeding.

Very truly yours,

/s/ Jeffrey L. Sheldon

Jeffrey L. Sheldon

cc: Jennifer Manner